

The Economics of Time: Tau as the True Unit of Value

Why Every Economic Transaction is an Exchange of Tau-Flow

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Abstract

Mainstream economics measures value in money, utility, or labour-hours. The Force of Time (FOT) identifies the deeper unit underlying all three: Tau-flow. Every economic transaction is an exchange of directed Tau-flow between Tau-addresses. Price is a Tau-signal encoding scarcity; money is a Tau-flow token; GDP is a measure of aggregate Tau-throughput in an economy. This paper derives the FOT economic framework from first principles and shows how it resolves classical paradoxes of value theory.

P-ECON-1 · Tau-Flow as the Primitive Unit of Economic Value

Classical economics debates whether value resides in labour (Marx), utility (Jevons, Menger), or social consensus (Keynes). FOT resolves this by identifying the common substrate of all three: directed Tau-flow from one Tau-address to another.

P-ECON-1

Economic value is directed Tau-flow. An entity has economic value if and only if its production, transfer, or consumption requires Tau-flow from at least one Tau-address. Value is not a property of objects but of the Tau-flow required to bring them into existence and exchange.

This unifies labour theory (Tau-flow of the worker), utility theory (Tau-flow of the consumer's attention and desire), and social consensus (collective Tau-flow of agreement). All three are real aspects of the same underlying phenomenon.

P-ECON-2 · Money as a Tau-Flow Token

What is money? Standard definitions (medium of exchange, store of value, unit of account) describe its functions but not its nature. FOT identifies money as a portable representation of deferred Tau-flow.

P-ECON-2

Money is a Tau-flow token: a portable claim on future directed Tau-flow from other Tau-addresses. A banknote represents a social agreement that the bearer may direct Tau-flow from the community in exchange. Inflation is the dilution of Tau-flow claims per token.

This explains why fiat money works despite having no intrinsic value: it works because it is backed by the collective Tau-flow capacity of the issuing community, enforced by legal and social structures. Hyperinflation is the collapse of trust in the Tau-flow backing — the token becomes unmoored from real flow.

P-ECON-3 · Price as Tau-Signal

How does price convey information? Hayek argued that prices aggregate dispersed knowledge better than any central planner. FOT gives this a physical interpretation.

P-ECON-3

Price is a compressed Tau-signal: a single number encoding the aggregate Tau-flow required to produce, transport, and exchange a good at a given moment. Price changes are changes in the Tau-flow field — signals propagating through the economic standing wave.

Rising prices signal Tau-flow scarcity in a domain; falling prices signal Tau-flow abundance. Market distortions (price controls, monopoly) are interferences in the Tau-signal propagation — they suppress information about true Tau-flow costs and lead to misallocation of Tau-flow across the economy.

P-ECON-4 · GDP as Aggregate Tau-Throughput

Gross Domestic Product measures the monetary value of all goods and services produced in an economy. In FOT terms, GDP is an imperfect proxy for aggregate Tau-throughput — but with systematic distortions.

P-ECON-4

GDP measures gross Tau-throughput in monetised Tau-flow tokens. It systematically undercounts non-monetised Tau-flow (care work, ecological services, community bonds) and overcounts Tau-destructive activity (pollution clean-up, incarceration, war). True Tau-throughput > GDP in healthy societies.

A Tau-corrected national account would add non-monetised Tau-flow and subtract Tau-destructive throughput. The resulting Tau-GDP would better track human flourishing than conventional GDP, which is blind to whether Tau-flow is constructive or destructive.

P-ECON-5 · Scarcity, Abundance, and the Prime Lattice

Economic scarcity arises when Tau-flow is insufficient to satisfy all desired exchanges simultaneously. FOT's prime lattice provides a structural account of why some goods are intrinsically scarce.

P-ECON-5

Goods anchored to unique Tau-addresses (land, time, human attention) are structurally scarce because each Tau-address is unique and non-replicable. Goods whose production can be indefinitely scaled (information, digital content) approach Tau-flow abundance because replication requires near-zero additional Tau-flow.

This predicts the structural tension in digital economies: information goods tend towards zero marginal cost (near-zero replication Tau-flow) while platform attention is structurally scarce (each user has a unique Tau-address with finite daily Tau-flow capacity). The "attention economy" is Tau-scarcity correctly identified.

P-ECON-6 · The Tau-Economy: Towards a Physics of Prosperity

FOT implies that economic prosperity is not the accumulation of money but the maximisation of constructive Tau-flow throughout a community of Tau-addresses.

P-ECON-6

A prosperous Tau-economy is one in which: (1) Tau-flow is distributed such that all Tau-addresses have sufficient flow-capacity for self-referential modelling; (2) Tau-signals (prices) propagate without distortion; (3) Tau-destructive activity is minimised; (4) non-monetised Tau-flow is recognised and protected.

This is not a political prescription but a physical description of the conditions under which Tau-conservation maximises constructive throughput. An economy that monopolises Tau-flow in a few addresses while starving others is Tau-inefficient in the same way a clogged circulatory system is biologically inefficient.

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